

Message Text

SECRET

PAGE 01 JIDDA 05139 251202Z

43 S

ACTION NEA-10

INFO OCT-01 ISO-00 SS-15 SP-02 EB-07 INR-07 NSC-05 CIAE-00

/047 W

----- 011281

P 251038Z JUL 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 5396

S E C R E T JIDDA 5139

E.O. 11652: GDS

TAGS: PFOR, MARR, EAID, US, SA

SUBJECT: US AND SAUDI FOREIGN AID PROGRAMS

REF: JIDDA 5072

1. AFTER MAKING HIS GOVERNMENT'S COUNTER-PROPOSALS ON PAYMENT SCHEDULES ALONG LINES TRANSMITTED REFTEL, PRINCE SAUD SAID THE WISHED TO DISCUSS INFORMALLY IN GENERAL TERMS THE SUBJECT OF US AND SAUDI FOREIGN ASSISTANCE PROGRAMS. HE SAID THAT ABOUT TWO YEARS AGO THERE HAD BEEN EXCHANGES BETWEEN OUR GOVERNMENTS ON THIS SUBJECT WHICH HAD RESULTED IN A CLEAR PICTURE OF THE COMPLEMENTARY NATURE OF THE PROGRAMS MAINTAINED BY HIS COUNTRY AND OURS WHICH, BROADLY SPEAKING, AIM AT HELPING COUNTRIES WHICH NEED ASSISTANCE FOR THEIR DEVELOPMENT, AND AT MAKING IT UNNECESSARY FOR SUCH COUNTRIES TO HAVE RECOURSE TO SOVIET OR OTHER COMMUNIST SOURCES.

2. THE IMPRESSION HIS GOVERNMENT GAINED THEN WAS THAT THERE WOULD BE A REASONABLE SHARING BY THE USG AND SAG OF THE COSTS INVOLVED. HE WAS NOT SPEAKING IN CONNECTION WITH THE SUBJECT WE HAD JUST DISCUSSED, SAUD SAID (WHICH WAS JORDAN AIR DEFENSE SYSTEM), NOR DID HE WANT IT TO APPEAR THAT HE WAS ATTEMPTING TO DEAL WITH US "ON A COMPANY-TO-COMPANY BASIS." NEVERTHELESS, HE SAID, HE DID WISH TO TELL US THAT DEMANDS ON THE GOVERNMENT OF SAUDI ARABIA ARE GROWING AND THAT THERE ARE LIMITS TO WHAT THE SAG CAN BE EXPECTED TO DO. HE WONDERED IF A REVIEW BY USG OF ITS FOREIGN AID PROGRAMS MIGHT BE USEFUL AT THIS TIME.

SECRET

SECRET

PAGE 02 JIDDA 05139 251202Z

WHAT IS NEEDED NOW, HE THOUGHT, IS AN OVERVIEW OF THE BURDENS

BOTH GOVERNMENTS BEAR TO HELP DETERMINE WHETHER THE BURDEN-SHARING ASPECTS OF BOTH SAUDI AND USG PROGRAMS ARE WHAT BOTH GOVERNMENTS EXPECTED AS A RESULT OF THE EARLIER EXCHANGES OF VIEWS HE HAD MENTIONED.

3. I COMMENTED THAT WE DO INDEED HAVE SIMILAR AIMS IN MANY AREAS AND WE FREQUENTLY FIND OUR GOVERNMENTS PROVIDING ASSISTANCE TO THE SAME PARTY OR PARTIES. OUR PROGRAMS ARE NOT COORDINATED, HOWEVER, AND USUALLY WE AND THE SAUDIS ARE NOT PRIVY TO EACH OTHER'S DELIBERATIONS ON REQUESTS FOR AID FROM VARIOUS SOURCES. WE ARE SURE OF EACH OTHER'S GOOD WILL, AND OF COURSE WE HAVE EASY ACCESS TO EACH OTHER IF WE FEEL A NEED TO DISCUSS ATTITUDES OR ASSISTANCE TOWARD THIRD PARTIES, DID HE HAVE IN MIND SOME MECHANISM WHICH WOULD HELP US AVOID DUPLICATING EACH OTHER'S EFFORTS? THE MINISTER SEEMED UNCERTAIN, REPEATED HIS THEME ABOUT NOT RPT NOT PUTTING MATTERS ON A "COMPANY-TO-COMPANY" BASIS, AND HIS FEELING THAT US MIGHT USEFULLY REVIEW WHETHER THE BURDENS WE BOTH CARRY MIGHT BE EASED, COUPLING THIS WITH A REITERATION OF PREVIOUS STATEMENT THAT THERE ARE LIMITS TO WHAT SAUDIS SHOULD BE EXPECTED TO DO.

4. I ASSURED HIM THAT MY GOVT IS ALWAYS INTERESTED IN THOUGHTS SAG MAY HAVE ON THIS OR ANY OTHER SUBJECT. SAUDI GENEROSITY IS ACKNOWLEDGED BY ALL IN THE UNITED STATES AND ABROAD. I UNDERSTOOD, I SAID, THAT HE WAS REFLECTING THOUGHTS OF HIS COLLEAGUES IN THE GOVT WHICH STEM FROM THE MOUNTING COSTS OF ASSISTANCE THE SAG IS GRANTING TO OTHER COUNTRIES. HE NODDED ASSENT. SAUDI AID, I CONTINUED, GENERALLY MOVES TOWARD COUNTRIES THAT ARE ARAB, ISLAMIC AND AFRICAN, MANY OF WHICH RECEIVE AID ALSO FROM THE UNITED STATES, AND THERE IS NO DOUBT THAT SAUDI PROGRAMS HAVE MADE A CONSIDERABLE CONTRIBUTION TO STABILITY IN OTHER AREAS AND, I WOULD SAY, HAVE REDUCED PRESSURES ON THE UNITED STATES THAT OTHERWISE WOULD BE MORE PRONOUNCED. HE WOULD UNDERSTAND, I SAID, THAT OUR EFFORT IS WORLDWIDE AND RESPONDS TO MANY AREAS AND SITUATIONS WHICH ARE NOT OF PRIMARY INTEREST TO HIS GOVERNMENT. HE INDICATED HIS UNDERSTANDING.

5. I SAID I WOULD PASS THIS EXCHANGE OF THOUGHTS TO YOU FOR YOUR COMMENT. HE SEEMED TO BE SUGGESTING USG REVIEW OF THE PROBLEM OF COORDINATING US-SAUDI AID PROGRAMS, THOUGH HE WAS
SECRET

SECRET

PAGE 03 JIDDA 05139 251202Z

NOTICEABLY SKITTISH ABOUT USING OR RESPONDING TO TERMS OTHER THAN "REVIEW" AND SHARING OF BURDENS." HE ASKED ME TO CALL, I LEARNED LATER, JUST AFTER A PROLONGED SESSION WITH FAHD AND OTHERS OF THE INNER GROUP.

6. COMMENT: PLEASE HAVE IN MIND, WHEN CONSIDERING SAUD'S REMARKS AND RESPONDING, THAT THERE MAY BE OPPORTUNITIES IN THIS AND OTHER INDICATIONS THAT THE SAUDI GOVT IS FEELING THE HEAT OF VAST

DOMESTIC AND FOREIGN EXPENDITURES. ARAMCO PAYMENTS TO THE GOVT ARE AT THE LEVEL OF 2.4 BILLION DOLLARS PER MONTH (SEE RECENT MESSAGES), BUT THE COST ESTIMATE FOR COMPLETING ONE DOMESTIC PROGRAM (GAS) HAS RISEN FROM SIX BILLION TO NINETEEN BILLION DOLLARS. AND, AS YOU KNOW, THERE ARE MANY OTHER PROGRAMS, MILITARY AND CIVILIAN, MEASURED IN BILLIONS. FOREIGN MILITARY AND ECONOMIC AID PROGRAMS PROBABLY TOTAL (SPCIAL HANDOUTS INCLUDED) FROM THREE TO FOUR BILLION. SAUDI OIL PRODUCTION IS BEING ALLOWED TO CREEP STEADILY UPWARDS, PERHAPS IN RESPONSE TO WORLD DEMAND AND WITH THE NEED FOR MORE REVENUE IN MIND. THREE OR FOUR MONTHS FROM NOW, PROBABLY AFTER OUR ELECTION, THEY WILL HAVE TO COPE WITH OPEC PRESSURES FOR A PRICE INCREASE. MEANWHILE WE SHOULD MUSTER EVERY VALID ARGUMENT AGAINST ANOTHER INCREASE.

7. I DID NOT SENSE THAT PRINCE SAUD WAS EXPECTING AN INSTANT RESPONSE OR COMMENT FROM US. PERHAPS DEPARTMENT FOR STARTERS COULD SUPPLY ME WITH APPROXIMATE US AID ESTIMATES (ON REGIONAL, NOT RPT NOT COUNTRY BASIS) FOR NEXT FISCAL YEAR COVERING BOTH MILITARY AND ECONOMIC CATEGORIES IF POSSIBLE. I WOULD MAKE SUCH FIGURES AVAILABLE TO HIM AND ASK IF HE HAS SIMILAR DATA HE COULD PASS TO US. THIS WOULD LEAD NO DOUBT TO FURTHER EXCHANGE AND WE MIGHT EVENTUALLY LEARN WHAT THEY HAVE IN MIND.
PORTER

NOTE BY OC/T: DISTRIBUTION COORDINATED WITH MR. HOGANSON, S/S-O.
7/25/76

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS, FOREIGN ASSISTANCE PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA05139
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760286-0372
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760723/aaaaaukj.tel
Line Count: 142
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 76 JIDDA 5072
Review Action: RELEASED, APPROVED
Review Authority: powellba
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUN 2004 by GarlanWA>; APPROVED <04 NOV 2004 by powellba>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US AND SAUDI FOREIGN AID PROGRAMS
TAGS: PFOR, MARR, EAID, US, SA, (SAUD, PRINCE)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006